



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 7 February 2024
(7.30 - 9.00 pm)

Present:

Councillor Ray Morgon (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Keith Darvill	Lead Member for Climate Change & Housing Need
Councillor Gillian Ford	Lead Member for Adults & Wellbeing
Councillor Oscar Ford	Lead Member for Children and Young People
Councillor Paul McGeary	Lead Member for Housing & Property
Councillor Paul Middleton	Lead Member for Digital, Transformation & Customer Services
Councillor Barry Mugglestone	Lead Member for Environment
Councillor Christopher Wilkins	Lead Member for Finance
Councillor Graham Williamson	Lead Member for Regeneration

In attendance: Councillor David Taylor – Conservatives & Councillor Martin Goode (Group Leader – EHRG)

Also, in the chamber Cllr Jane Keane (Labour).

152 ANNOUNCEMENTS

Members were advised of the Fire Safety procedures in the Council Chamber.

153 APOLOGIES FOR ABSENCE

No apologies for absence received.

154 DISCLOSURES OF INTEREST

There were no disclosures of interest.

155 **MINUTES**

The minutes of the meeting held on **10th January 2024**, were agreed as a correct record and the Chair signed them.

156 **BRIDGE CLOSE REGENERATION LLP 2024/25 BUSINESS PLAN REFRESH**

Report: Bridge Close Regeneration LLP Business Plan Refresh 2024-2025

Presented by: Councillor Graham Williamson - Cabinet Member for Development and Regeneration

- 1.1 The Council established a joint venture development vehicle, Bridge Close Regeneration LLP ('BCR LLP', 'Joint Venture' or 'JV') to bring forward the proposed regeneration of the site known as Bridge Close (see plan with red line at Appendix A). BCR LLP was until October 2020 jointly owned between the Council and a private sector partner. On 16th September 2020, Cabinet approved the proposed acquisition by the Council of the private sector interest in BCR LLP and on 29th October 2020, the Council entered into a purchase agreement to acquire the interest in BCR LLP that it did not already own from the private sector partner.
- 1.2 In light of the Council acquiring full control of Bridge Close Regeneration LLP, on 16th December 2020, Cabinet considered a number of recommendations relating to the future funding and delivery of the scheme. Approval was granted for the Council to deliver the regeneration of Bridge Close directly, funding the development entirely through Council resources, predominantly using the Housing Revenue Account. Cabinet approved a budget with referral to and subsequent agreement by Full Council on 3rd March 2021. Subsequently, the Bridge Close Regeneration LLP Business Plan 2022/2023 was approved by Cabinet on 16th February 2022 and thereafter adopted by the Bridge Close Regeneration LLP.
- 1.3 The Business Plan forms part of a comprehensive suite of project documents, including the Members' Agreement, the Land Agreement, the Land Acquisition Strategy, the Security Agreement and the Loan Note Instruments, which amongst others, set out the strategy and the terms and conditions for provision of funding by the Council as principal Member of the Joint Venture (noting that a wholly owned company of the Council acts as second member of the JV). The Business Plan is a suite of strategy and policy documents, including a budget and financial model with detailed forecasts, which provides a management framework for delivering the vision and objectives for the regeneration of Bridge Close.
- 1.4 In accordance with the Members' Agreement, the Board of Bridge Close Regeneration LLP must prepare, issue and agree a draft Business Plan to the Council as Member. Once agreed, the draft Business Plan would replace the then current Business Plan as the formal Business Plan adopted by the Bridge Close Regeneration LLP.

- 1.5 This report provides an update of the Business Plan and a review of key work streams underpinning the delivery of the Council's vision for Bridge Close. It provides an update of the budget and financial model approved by Cabinet in December 2020 and recommends that the updated Business Plan be agreed, noting the significant benefits to the regeneration of Romford town centre, the contribution towards Havering's target for housing delivery, including affordable housing, and the expected financial returns anticipated in the plan.

Cabinet:

1. **Approved** the draft Bridge Close Regeneration LLP Business Plan 2024-2025 (the Business Plan) as attached at Appendix B.
2. **Agreed** the provision of a budget to enable the funding and delivery of the regeneration of Bridge Close as required and detailed within the exempt Financial Implications and Risks section; this budget to be included within the proposed HRA Capital Programme that will be considered by Cabinet in the Housing Revenue Account Business Plan update.
3. **Agreed** that the Leader of the Council, after consultation with the Strategic Director of Place, the S151 Officer and the Monitoring Officer, approve detailed business cases, funding arrangements and legal agreements as may be required to deliver the regeneration of Bridge Close as per the Business Plan 2024-2025.
4. **Noted** that the Strategic Director of Place will continue discussions with the Havering Islamic Community Centre (HICC) with a view to relocating HICC within the proposed new development or, if a suitable alternative site could be found, elsewhere.
5. **Noted** that the Strategic Director of Place will continue discussions with the London Ambulance Service (LAS) with a view to relocating the LAS to a suitable alternative site elsewhere.
6. **Instructed** the Strategic Director of Place, in consultation with the S151 Officer and the Monitoring Officer, to bring forward a report for the making of the Compulsory Purchase Order (CPO) for the Bridge Close Regeneration scheme at the appropriate time in the financial year 2024-2025.
7. **Authorised** the Strategic Director of Place, acting in consultation with the Monitoring Officer and the Section 151 Officer, to negotiate, finalise and enter into all necessary legal agreements as may be required, and to do anything incidental to bring into effect the proposed arrangements set out in Recommendations 1-6 inclusive.

157 **HRA BUSINESS PLAN 2024-25**

Report: HRA Business Plan update, Budget 2024/25 & Capital Programme 2024/25–2028/29.

Presented by: Councillor Paul McGeary - Lead Member for Housing

This report sets a budget for the Council's Housing Revenue Account (HRA) and HRA Major Works and Capital Programme. Cabinet approved the Housing Asset Management Plan 2021-2051 in October 2021 and the budgets and projections of expenditure required to maintain the stock to a good standard have been used in the preparation of the capital programme in this report. A summary is provided of the HRA Business Plan 2023-2052.

The HRA is a ring-fenced account that is used to manage and maintain the Council's own housing stock. The Council is legally required to not set a deficit budget. The proposed budget will enable the Council to manage and maintain the housing stock to a good standard and provide funding for a significant acquisition, new build and estate regeneration programme. It further sets rents, service charges and other charges for Council tenants and leaseholders for the year 2024/25.

As part of the new regulatory framework for local government housing services, councils are now subject to the Regulator of Social Housing's (RSH) Rent Standard. This has introduced the CPI + 1% increase arrangement, based on the published rate for September 2023 making an increase for 2024/25 of 7.7%.

In order to change any HRA rent liability, the local authority must notify tenants and give 28 days' notice of any change after the authority has made a properly constituted decision of that change. This means that, following a Cabinet decision on rent levels to be charged in any year, the local authority must write to all tenants to advise them of the new rent liability for the following 12 months.

Should the Cabinet adopt the recommendations, a notification will be sent to tenants in the first week of March 2024, to make the new charge effective from the first week of April 2024.

Cabinet:

- 1 **Approved** the Housing Revenue Account Budget as detailed in paragraph 3.5.
- 2 **Agreed** that the rents chargeable for tenants in general needs Council properties owned by the London Borough of Havering be increased by 7.7% from the week commencing 1st April 2024.
- 3 **Agreed** that the rents chargeable for tenants in supported housing Council properties, such as sheltered housing and hostels, owned by the London Borough of Havering, are increased by 7.7% from the week commencing 1st April 2024.
- 4 **Agreed** the four rent-free weeks for 2024/25 are: the week commencing of 26th August 2024; 16th December 2024; 23rd December 2024 and the 31st March 2025.

- 5 **Agreed** that service charges and heating and hot water charges for 2024/25 are as detailed in section 2.20 of this report.
- 6 **Agreed** that charges for garages should be increased by 7.7% in 2024/25 as detailed in paragraph 2.9 of this report.
- 7 **Agreed** that the service charge for the provision of intensive housing management support in sheltered housing for 2024/25 shall be as detailed in paragraph 2.25 of this report.
- 8 **Agreed** the Supported Housing Charge for HRA Hostels as detailed in paragraph 2.31 of this report.
- 9 **Agreed** that the rent charge to shared ownership leaseholders is increased by 8.9% as detailed in paragraph 2.7 of this report.
- 10 **Agreed** that the Care-line and Telecare support charge should be increased by 7.7% for 2024/25 as detailed in paragraph 2.28 of this report.
- 11 **Approved** the HRA Major Works Capital Programme, detailed in Appendix 1a of this report and refer it to full Council for final ratification.
- 12 **Approved** the HRA Capital expenditure and financing for the 12 Estates Joint Venture and other acquisition and regeneration opportunities detailed in section 4.4 – 4.12 and Appendix 1b of this report and refer it to Full Council for final ratification.
- 13 **Approved** the acquisition of 47 affordable homes by the HRA on the Quarles Campus site from Mercury Land Holdings, as detailed in paragraph 4.10 of this report, and delegate approval of the contract terms and completion to the Strategic Director of Place, acting in consultation with the Strategic Director of Resources Officer and the Deputy Director of Legal & Governance.

158 **2024/25 BUDGET AND 2024-2028 MEDIUM TERM FINANCIAL STRATEGY**

Report: 2024/25 Budget and 2024-2028 Medium Term Financial Strategy

Addenda circulated in advance of this Cabinet meeting

Presented by: Councillor Christopher Wilkins - Cabinet member for Finance

This report sets out the Council's revenue budget requirement for 2024/25 and MTFs for the following three years. It makes proposals regarding the level of Council Tax required to meet the budget requirement. The report

also provides an update on the outcome of the 2024/25 local government financial settlement.

This report includes:

- The approach to setting the Council's 2024/25 budget and MTFS for the following three years
- The outcome of the local government finance settlement
- The recommended Council Tax level for 2024/25.
- The proposal to set a balanced budget.

Cabinet:

1. **Noted** the requirements of Section 106 of the LGA 1992 Act as set out in Section 1 of this report
2. **Noted** the Medium Term Financial Position and the Budget setting process of the Council as set out in Section 3 of this report
3. **Noted** the key assumptions and risks to the 2024/25 budget as set out in Appendix A of this report
4. **Noted** the outcomes from the Public Consultation response as set out in Appendix B and agree the savings proposals as set out in Sections 3.7 to 3.11 and Appendix C of this report and of this report.
5. **Agreed** the proposed Fees and Charges schedule as set out in paragraph and Appendix D and for officers to proceed with implementation of the proposed fees and charges, subject to consultation where required.
6. **Agreed** the proposed 2.99% increase in core Council Tax for 2024/25 as set out in paragraph 3.18;
7. **Agreed** the proposed additional 2% Council tax increase for the Adult Social Care Precept as set out in paragraph 3.18;
8. **Agreed** the proposed Council Band D basic amount of Council Tax for 2024/25 of £1736.52 being the amount calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its council tax excluding the GLA precept for the year (as set out in section 3.18 to 3.20 of this report
9. **Agreed** the proposed Council Tax requirement for 2024/25 to be set at £158.023m as set out Appendix E of the report
10. **Agreed** the budgets proposed in this report and as set out in Appendix F
11. **Agreed** the Delegated Schools' draft budget set out in Appendix G of this report;

12. **Noted** the S25 Statement of Robustness as set out in Appendix H of this report.

13. **Agreed** the Council Tax Support Scheme for 2024/25 as set out in Appendix I to this report (unchanged from 2023/24).

14. **Agreed** Council Tax discounts for early payment to be given at a rate of 1.5% as set out in Appendix J of this report.

15. **Directed** officers to disregard War Pension income in the assessment of Housing Benefit as detailed in see Section 11 and Appendix J and authorises the Chief Executive to approve any policy required to effect the same.

16. **Noted** the Equalities Impact Assessment in respect of the Council Tax Support Scheme as set out in Appendix K to this report

17. **Noted** that in the event the Capitalisation Direction is not awarded to the value requested before the emergency Full Council meeting on the 6th March, the Strategic Director of Resources (S151 Officer) will be required to issue a S114 report.

Addenda circulated in advance of this Cabinet meeting

Presented by Councillor Chris Wilkins & Andrew Blake-Herbert

- HRA Business Plan Update, Budget 2024/25 & Capital Programme 202402028

Officers confirmed that there had been 2 Government announcements as well as updates from ELWA and a continued review of the assumptions associated with the budget since the papers were published for Cabinet which will have an impact on the budget report. These changes will be introduced into the papers to be submitted to Full Council

Cabinet reviewed the savings proposals and the budget consultation responses and agreed to the recommendations as presented in the Addendum, attached to report no. 7

- Response to Comments Made by Overview & Scrutiny

A cross party discussion was has regarding both documents and the Cabinet noted the comments from the Overview & Scrutiny Committee. The Leader thanked the Committee for their input. Actions agreed by the Overview & Scrutiny Committee would be actioned by officers.

The Leader expressed his thanks to Kathy Freeman and her staff for their work in providing the reports and their valuable work throughout the year.

He also thanked the opposition groups for their input and support.

159 **5 YEAR CAPITAL PROGRAMME & STRATEGY 2024/25 TO 2028/29**

Report: 5 Year Capital Programme and Strategy – 2024/25 to 2028/29

Presented by: Councillor Christopher Wilkins - Finance

The Council is required by statute and as set out in the Prudential Code for Capital Finance in Local Authorities, 2021 Edition, to agree the capital programme and associated capital strategy. Local authorities are required to have regard to the current editions of this code by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) Regulations 2003 [SI 3146].

This report sets out the Authority's Capital Strategy and presents the Council's proposed capital budget for 2024/25 and five-year Capital Programme to 2028/29.

Cabinet agreed the following:

1. **Agreed** to recommend to Council for consideration and approval the 2024/25 Capital programme of £342m and £1,421m over the full 5-year period from 2024/25 to 2028/29.
2. **Agreed** to recommend to Council for consideration and approval the new capital projects being added to the capital programme for 2024/25 as set out in section 2.3 of this report.
3. **Noted** any additional capital needs over and above what is specified in the capital programme for the relevant year will require separate business cases and be agreed by the S151 officer, Capital Strategy manager and Council Members as required and appropriate before being agreed by full Council.
4. **Noted** that the Chief Financial Officer be authorised to allocate funding from the Capital Contingency included within the draft Capital Programme.
5. **Noted** that externally funded schemes can be added to the capital programme up to £500k as and when funding is confirmed.
6. **Approved** the capital strategy contained within this report noting its impact on both the capital programme and the financial implications for setting the revenue budget for 2024/25 to 2028/29.
7. **Noted** the capital prudential indicators included within the capital strategy when approving the capital programme to ensure affordability.

8. **Approved** the Minimum Revenue Provision Policy Statement (unchanged from prior years) which determines the amount of money set aside each year for the repayment of debt
9. **Agreed** that the Chief Financial Officer (S151 Officer) be authorised to re-profile capital budgets mid-year based on the updated forecasts provided by services and reported to the Executive Leadership Team as part of the capital monitoring process. This will assist in producing more accurate information for treasury management purposes.

160 **TREASURY MANAGEMENT STRATEGY STATEMENT 2024/25 AND ANNUAL INVESTMENT STRATEGY 2024/25 TREASURY INDICATORS**

Report: Treasury Management Strategy Statement 2024/25 and Annual Investment Strategy 2024/25 (“TMSS”), Treasury Indicators

Presented by: Councillor Christopher Wilkins - Cabinet Member for Finance

The Treasury Management Strategy Statement (“TMSS”) is part of the Authority’s reporting procedures as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management (“TM”) Code and its Prudential code (“The CIPFA Prudential Code”) for capital finance in local authorities. The TMSS also sets out recently introduced changes to the legislative framework, which are generally designed to place restrictions on authorities’ commercial activity.

This report fulfils the Authority’s legal obligation under the Local Government Act 2003 to have regard to both the CIPFA TM Code/Prudential Code and Government Guidance, and it covers:

- The Borrowing and Investment Strategies
- Treasury Management and Prudential Indicators.

Cabinet agreed:

- The Draft 2024/25 TMSS & AIS which will form part of the Budget Report to Cabinet on 7 February and Full Council on 28 February 2024.
- The revised prudential and treasury indicators set out in Appendix 2 and 3.
- The operational and authorised borrowing limits set out in tables 5 & 6 of appendix 2

Under the Havering Scheme of Delegation Part 3 section 3.10.3 the s151 Officer functions are:

- (j) *To manage the Council's loan debt, investments, and temporary investments, pension scheme and pension fund, insurance fund, act as registrar of loan instruments, manage all banking arrangements including numbers and types of accounts and arrange insurance of property and the selecting and accepting of tenders for insurance cover and related services which are considered to offer best value for the Council promoting good risk management practices at all times.*

Chairman